

Exhibit E



City of Greenfield

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Internal and Confidential

Memorandum

To: Kate McKenna, Executive Officer, LAFCO Monterey County
From: Anna Vega, City Manager, City of Greenfield
Date: December 14, 2005

Subject: Review and Comment on the LAFCO Monterey County December 5, 2005 Staff Report on the City of Greenfield's Proposed Sphere of Influence Amendment

The purpose of this internal memorandum is to communicate to you the City of Greenfield's concerns with information contained within the December 5 staff report on the City's proposed Sphere of Influence Amendment. The contents of the staff report were the primary reason for the City requesting that the preliminary review of the SOI be tabled.

The information and recommendations contained within the report placed the City in a defensive position regarding the basic tenets and assumptions of its adopted General Plan. As such the City did not wish to move forward with the item under those circumstances and enter a meeting which, as we understood based on our prior meetings, was to be informational and an opportunity to "reintroduce" the City's plans to the Commission.

As the City will be bringing the application for the SOI amendment to LAFCO in the near future, the City of Greenfield believes it is critical to address a number of specific concerns within the report, as identified below:

Page 1 and 2, acreage details: Throughout the report the acreages of the SOI amendment request are incorrect, providing an appearance that the City is requesting more acreage than needed. The City would be glad to work with LAFCO staff to reflect the correct acreages in our final application. Although the "growth area" of the City beyond existing City limits is 1,380 acres, this area also reflects the 355 acres contained within the existing SOI. Therefore, the additional area requested within the SOI is 1,025 acres. Also, the "southern addition" area is 170 acres, not 214.

Page 2, City approach to processing "other" areas. The staff report is highly critical of the "southern addition" SOI and the Amaral SOI proposal, as they are not part of the "main growth area" shown in the General Plan and EIR. As the City explained in its August 19 cover letter attached to the preliminary application, the Southern Addition area was anticipated by the City, and separate environmental review is currently underway to evaluate the environmental effects of that proposal. The City is fully aware that the environmental review process for that area must be completed for LAFCO's consideration if that area is to be included within the City's SOI Amendment application. The completion of that process and delivery of the City's findings and resolutions regarding that area will be part of the City's application.

The Amaral proposal is another matter. As we discussed earlier, the Amaral SOI amendment proposal arrived subsequent to the City's adoption of the General Plan. For that reason the City did not want to highlight that project within our preliminary submittal to LAFCO, to avoid confusion. However, the information was provided per your request, and unfortunately, the staff report gave the Amaral proposal the same level of legitimacy as the South End proposal, which was not the City's intent. For the record, the South End will be part of the City's SOI request, while the Amaral proposal may follow some time in the future, on its own merits. This point was unclear in the staff report. The City has just begun to review the Amaral application, and there is no guarantee that the City Council will support the request at the local level. Therefore, linking the South End project and the Amaral application as piecemeal amendments to the General Plan does not accurately reflect the City's processing strategy.

Page 2, areas "available for incorporation". All but one of the "five non-contiguous" remaining sphere areas cited on this page is accounted for by current application activities and the Yanks Air Museum project. There are only about 100 acres of land, all of it industrial, left in the City's existing SOI that is not accounted for. The statement that these five areas could support the city's future growth is grossly inaccurate.

Page 2, acreage totals. Based on the above explanation regarding the South End and Amaral projects, the statement that "the preliminary SOI proposal requests a total of approximately 1,725 acres of additional territory into the SOI" is incorrect. The total request will be 1,025 acres of additional territory. The South End would add 170 acres.

Page 3. Characterization of AAVS Land Use. The Artisan Agriculture/Visitor Serving Land Use within the General Plan has severe development restrictions. In addition, the "reserve overlay" shown in the City's land use diagram is not a "residential reserve overlay", as indicated in the staff report. The overlay is for future AAVS land use only, containing the same development restrictions. Thus, the City's land use plan will not yield additional residential uses with the overlay. It cannot be changed to residential land use in the future because of the overlay, as indicated in the report. This description results in the mistaken assumption that more residential is possible within the plan area, which is not the case.

Page 3 and 4, Population Projections. The discussion of the potential population yield is confused. The City of Greenfield analyzed its General Plan for a potential maximum population of 36,000. As explained in the Final EIR, the net yield of dwelling units after roads, schools, parks, land use buffers and easements, will likely yield neighborhoods that would translate to approximately 27,000 people. The City recognizes that the residential portion of the Southern Addition would incrementally add to that population assumption.

Page 4, Summary of Environmental Impacts and City's EIR. While it is understood that LAFCO must consider the findings of the City's EIR in decision-making, the City does not understand the value of including this analysis summary at this juncture of preliminary review. This page of discussion exemplifies the overall tone of the report as an analysis of the City's General Plan, rather than the introduction of a proposed SOI expansion for discussion and presentation, as originally intended. Again, this discussion links the City's General Plan to environmental impacts of the Amaral proposal, which is not part of the proposed SOI.

Pages 4 and 5, Agricultural Protection and General Plan Density. This discussion of prime agricultural land conversion asserts that "...the City states that the new General Plan designates growth areas with compact development patterns. However, review of the General Plan...suggests otherwise". This statement seems to originate from the City's August 19 cover letter to you, where we state that the General Plan includes a substantial amount of medium density, high density and mixed uses to help us concentrate development as a means of preserving agricultural acreage. The staff report says that the City claims to have these higher densities in the "new growth" areas. This is a subtle but important distinction. The City recognizes that that lower and medium densities are the main residential land uses proposed within the expansion area; however, it is the General Plan as a whole that provides for higher density development City-wide. The report not only misstates the City's information provided August 19, but does so in a manner that accuses the City of inaccuracy.

Page 5, Direction of Growth. The staff report requests that the Commission review the City's "overall growth plan" as part of its review. Please be advised that the City adopted the General Plan and certified the EIR in May 2005. The documents were circulated to LAFCO, the County of Monterey and other public and private entities. No comments were received during public review from public agencies questioning the fundamental land use pattern and land use goals presented to the City. In addition, the same fundamental plan was presented to LAFCO in 2003, and at no point did the City receive feedback that the primary direction of growth or land use pattern proposed would be problematic. The City has completed its public review obligations, and prepared and approved its plan in accordance with State law. The City has based its General Plan on extensive public input in an open and transparent process. As such, the City does not intend to re-open the basic tenets of the City-wide land use plan given the extensive opportunity for agency input over the past several years.

Page 5, Farmland Mitigation. The staff report suggests farmland mitigation at a 2:1 or 3:1 mitigation ratio. Again, such comments and recommendations would have been more appropriately made and considered during development of the General Plan and during public review of the General Plan EIR, which assessed the impacts of the proposal. The City did not adopt such policies or conditions for farmland mitigation; rather, the City adopted policies to concentrate growth in a logical manner around the City center, created the AAVS land use to encourage ag-related, low intensity uses and continued agricultural viability on those lands, and required substantial (200-foot) land use buffers on the City's east side. The City also made detailed findings regarding the conversion of agricultural land, understanding that the City will need to grow to be a viable governmental entity, and that such growth will result in the unavoidable conversion of some acreage to urban use. The City did not adopt policies or mitigation to put land in permanent preserve. Greenfield is different from King City, the example provided, in that land holdings are comprised of smaller parcels held by many owners. King City had an opportunity to provide large permanent easements on land held by one or two key owners with large holdings. Such conditions do not exist in Greenfield, and the feasibility of requiring cohesive permanent easements or the purchase of on- or off-site acreage as suggested is questionable. The mechanics of any such program have not been presented or discussed with the City during public review.

Page 6, Informal Discussions with Interested Parties. The staff report cites the concerns of ag operators and business owners in the northwest vicinity of the City regarding encroaching urbanization. Please note that those same owners and operators were very proactive during the General Plan process and supportive of the City's final plan. These same owners and operators were also influential toward maintaining AAVS use in the northwest corner, while other parties were lobbying for additional residential in this area. Regarding Amaral, once again the City is not including the Amaral proposal in its proposed SOI amendment.

Page 6, Public Services. For the record, the City's wastewater holding ponds have never "overtopped", as stated in the staff report. Such statements imply a design flaw, which is simply not the case in Greenfield. During the extensive flooding of 1995 the City's ponds lost embankments due to erosion washout, as did many other jurisdictions in the region as a result of that extreme storm event. The City repaired the damage immediately and worked with State agencies to do so without penalty.

Page 7, Water Analysis. This section of the report fails to recognize the General Plan's discussion of water supply contained within the Growth Management Element of the General Plan, which is also referenced in Section 10 (EIR), of the public review draft. The General Plan EIR incorporates by reference the entire General Plan. The General Plan contains a series of policies and programs that promote water conservation and long-term water management at a policy level. The report fails to acknowledge the linkage between the cumulative impacts identified, and the policies set forth within the General Plan to address those issues. In addition, the report's calculations of increased water usage upon General Plan buildout are incorrect and overstated.

Page 7, Public Services. The staff report cites impacts to police and fire services. Again, the report fails to acknowledge the General Plan's mitigating policies and programs contained within the General Plan and Draft Plan for Service. The City does not understand why LAFCO would state that these services, which are adequately met by the collection of adopted fees, are "not addressed".

Page 7, Transportation Issues. Regional traffic concerns are understood by the City to be an important issue to several agencies. The City has been participating in discussions with TAMC to review the potential costs and benefits of the TAMC regional traffic fee, or some other mechanism to help address regional transportation impacts. Regarding Highway 101 improvements as cited in the report, please be advised that the TAMC fee at this time does not include substantial improvements (i.e. widening) of Highway 101; therefore the fee as currently structured would not address the primary long-term problem which is the movement of people and goods along the Highway 101 corridor. In addition, the staff report states that "Caltrans believes impacts can be best addressed through an MOU with the City that requires preparation of a regional traffic study for each proposed development...". The City is not clear what this means or the source of this information, as the Caltrans letter responding to the General Plan EIR makes no such statements.

Page 8, LandWatch and other Agency Comments. Page 8 of the staff report cites comments made by LandWatch, concluding that "staff has not yet had the opportunity to review and analyze this (transportation) part of the General Plan to make a determination on this issue". This comment is a clear example of the City's overall concerns with the report. The staff report goes to great length to summarize agency comments and concerns, but provides no context for those comments. First, why are LandWatch (and other agency) comments reiterated at face value with no mention of the City's responses to their issues as contained within the Final EIR? Secondly, what is the purpose of LAFCO staff's review and comment upon the details of the General Plan (such as use of cul-de-sacs) at this juncture of the process? So many of these issues were addressed during the EIR public review process that concluded last May, and do not appear to be relevant to LAFCO's charge toward reviewing the SOI amendment.

Conclusion. The staff report concludes that there is a "lack of information" for LAFCO's review of the proposed SOI boundary, and therefore recommends that the SOI update be revised. The City of Greenfield respectfully and firmly disagrees. The amount and direction of growth proposed by the City has been in the public realm for over three years, and the General Plan process concluded based on significant public and public agency input. The General Plan and General Plan EIR are a combined document and should contain the necessary information for LAFCO to assess the merits of the City's future plans regarding the ability to provide public services, conversion of agricultural land, and planning for logical growth.

From the City's perspective, it appears the staff report was prepared as a detailed critique of the adopted General Plan, rather than an opportunity to provide discussion and information concerning a preliminary application. There appears to be confusion regarding the adopted General Plan, and the requested SOI boundary adjustment to

support that plan. In addition, the report links together the proposed SOI with the Amaral proposal; a point of confusion we tried to avoid as we prepared our materials for review.

The City looks forward to working with you and your staff to resolve these misperceptions regarding the SOI application prior to submittal of a formal application in the near future.

City of Greenfield